

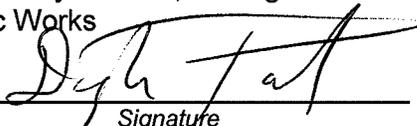
STAFF REPORT
COUNCIL MEETING DATE:
September 12, 2011

ITEMS FOR COUNCIL CONSIDERATION:

**Annual Review of
Fire Protection Mitigation Fee Program and Fee Adjustment**

Report prepared by: Dylan Paul, Management Analyst

Department: Public Works



Signature

**Reviewed by
Public Works
Director:**



Signature

**Reviewed by
City Manager:**



Signature

ACTION NON-ACTION STAFF RECOMMENDATION:

That your Council approve and adopt the attached Resolution No. 5335, a Resolution of the City Council of the City of Carpinteria Updating the Fire Protection Mitigation Fee Schedule for Development, and Approving and Accepting the Carpinteria-Summerland Fire Protection Districts Annual Report.

Motion: I move to adopt Resolution No. 5336, as read by title only, approving and accepting the Carpinteria-Summerland Fire Protection Districts Annual Report and updating the Districts Master Facilities Plan.

I. BACKGROUND:

In 1990 the State Legislature passed into law the Mitigation Fee Act (AB 1600) that established California Government Code Section 66000 et. seq. The City of Carpinteria and the County of Santa Barbara adopted ordinances imposing Fire Protection Fees on any new development

within the City and County respectively. The mitigation fees are collected by the City and County for the benefit of the Carpinteria-Summerland Fire Protection District (District). The City ordinance is codified in Chapter 8.26 of the Carpinteria Municipal Code. The County ordinance is codified in Chapter 15, Article IIIA of County Code. Each year the City and County are required to receive and review an Annual Report provided by the District. The Annual Review includes a District DIF fund description, DIF Fee Schedule, a Master Facilities Plan and the current fee ledger. As long as the fee program is in place, both the City and County are required to pass resolutions to update the fees when the District performs an Annual Review that includes an increase in the fee schedule, and whenever the District makes an additional request to increase fees based on updated information such as a revised Master Facilities Plan.

On May 26, 2009, your City Council approved and adopted Resolution No. 5201, which updated the Fire Protection Mitigation Fee Schedule for Development. Additionally, the hearing and adoption of the Resolution served as the required Annual Review of the District's DIF program. As previously mentioned, the report was submitted as a requirement of Government Code Section 66006 and the City's Municipal Code Section 8.26.150 and 8.26.160.

Within the District development of land continues to occur that creates an inherent demand for fire protection service from the District. On August 16, 2011, the City of Carpinteria received a written request from the District to approve the attached annual report, updated Master Facilities Plan and DIF schedule.

II. DISCUSSION:

Development Impact Fees or Mitigation Fees are intended to assist local fire agencies in responding to increased service demands caused by continued land development. The District secured the services of Revenue and Cost Specialists, LLC to assist in the production of a report entitled, "Development Impact Fee Calculation and Nexus Report for the Carpinteria-Summerland Fire Protection District, Update – October 2008." The report serves as an updated Master Facilities Plan, nexus study, and proposed fee schedule.

Table 1 below shows the current Fee Schedule adopted by your Council on November 8, 2011. Table 2 shows the proposed Fee Schedule increases based on the 2010 Engineering News Record Construction Cost Index.

Table 1	
Fire Protection Development Impact Fee Schedule	
(Current)	
Type of Development	2010-2011 Fees
Estate Single Family Residential	\$1,523.00 First 2,700 Sq. Ft. (1)
Single Family Residential	\$1,523.00 First 2,700 Sq. Ft. (1)
Multiple Family Residential	\$1,284.00 per Unit
Mobile Homes	\$1,693.00 per Unit
Commercial Lodging	\$910.00 per Unit
Commercial/Office Uses	\$2.20 per Sq. Ft.
Industrial Uses	\$0.19 per Sq. Ft.
Notes: (1) Plus \$0.362/Square Foot beyond 2,700 Square Feet	
*** Increases based on 2010 Engineering News Record Construction Cost Index***	

Table 2
Fire Protection Development Impact Fee Schedule
 (Proposed)

Type of Development	Proposed Fees
Estate Single Family Residential	\$1,564.00 First 2,700 Sq. Ft. (1)
Single Family Residential	\$1,564.00 First 2,700 Sq. Ft. (1)
Multiple Family Residential	\$1,318.00 per Unit
Mobile Homes	\$1,739.00 per Unit
Commercial Lodging	\$935.00 per Unit
Commercial/Office Uses	\$2.26 per Sq. Ft.
Industrial Uses	\$0.20 per Sq. Ft.

Notes: (1) Plus \$0.362/Square Foot beyond 2,700 Square Feet
 *** Increases based on 2011 Engineering News Record Construction Cost Index***

III. FINANCIAL CONSIDERATIONS:

Collection of Development Impact Fees provide a portion of the revenue necessary for the Carpinteria-Summerland Fire Protection District to fund equipment acquisitions and construct facilities as outlined in the District's Facilities Master Plan. DIFs are adjusted automatically on an annual basis on July 1 of each year in accordance with Carpinteria Municipal Code Section 8.26.040 using the Construction Cost Index percentage by the "Engineer News Record." Table 3 below shows three examples of estimated mitigation fee payments.

Table 3
Fire Protection Development Impact Fee Comparison

Proposed Development	Units/Size	2010-2011 Fee (Current)	Proposed Fee
Example Residential Project			
Residential	1 Unit	\$1,523.00	\$1,564.00
The Bega Project			
Residential	3 Units	\$4,569.00	\$4,692.00
Commercial	7,000 Sq. Ft.	\$15,400.00	\$15,820.00
Industrial	33,000 Sq. Ft.	\$6,270.00	\$6,600.00
Lagunitas Project			
Commercial	85,000 Sq. Ft.	\$187,000.00	\$192,100.00

Source: Carpinteria-Summerland Fire Protection District Memorandum

IV. LEGAL ISSUES:

The City Attorney has reviewed this report and the attached Resolution No. 5336. Notice of this Public Hearing appeared in a local newspaper on August 26, 2011. On February 10, 2004, the City of Carpinteria and the Carpinteria-Summerland Fire Protection District executed an indemnification and hold harmless agreement. The purpose of the agreement was for the District to indemnify and hold harmless the City and City agents, officers and employees from claims related to the imposition, administration and collection of the District's DIFs. This agreement continues to be in effect.

V. ATTACHMENTS:

1. Carpinteria-Summerland Annual Report
 - a. Exhibit A – Fee Schedule
 - b. Exhibit B – Fund Detail
 - c. Exhibit C – Master Facilities Plan

2. Resolution No. 5336 of the City Council of the City of Carpinteria updating the Fire Protection Mitigation Fee Schedule for Development and approving and accepting the Carpinteria-Summerland Fire Protection Districts Annual Report.
 - a. Exhibit A – Development Impact Fee Fund Description
 - b. Exhibit B – District Development Impact Fee Schedule
 - c. Exhibit C – Facilities Master Plan
 - d. Exhibit D – Development Impact Fee Accounting

ATTACHMENT 1



CARPINTERIA - SUMMERLAND

FIRE PROTECTION DISTRICT

STAFF REPORT

ANNUAL REVIEW OF FIRE PROTECTION MITIGATION FEES

DATE **August 16, 2011**

BACKGROUND

AB 1600, passed into law in 1989, allows for government agencies to impose Development Impact Fees (DIF). The law was codified in Government Code section 66000 et seq., also referred to as the Mitigation Fee Act. In 2003 the City of Carpinteria and the County of Santa Barbara adopted ordinances imposing Fire Protection Mitigation Fees on any new development within the Carpinteria – Summerland Fire Protection District. The mitigation fees are imposed by the City and County for the benefit of the District. *(It is important to note that these impact fees are levied by one of the two land use agencies within the Fire District; the City of Carpinteria and the County of Santa Barbara)* The City ordinance is codified in Chapter 8.26 of the Carpinteria Municipal Code. The County ordinance is codified in Chapter 15, Article IIIA, of the County Code.

AB 1600 requires that projects to be financed with DIF be identified in a Master Facilities Plan. Periodic review and adjustment to the DIF is appropriate and warranted in order to insure that the District collects sufficient funds to construct and purchase additional facilities and equipment to serve new residential and commercial development. In 2008 the District hired Revenue and Cost Specialist LLC. to prepare an updated Development Impact Fee Nexus Calculation Report. This was the first update of the original 2003 study. The cost associated with construction and apparatus was recalculated in lieu of today's construction market prices. The law also requires that a portion of the Nexus report be developed which identifies the proportion of the improvement cost related to the new development and the existing community known as a proportional analysis. *(For example, proportional analysis means that a new fire station that serves an existing population could not be attributed totally to new development)* The report also takes into account the total available land for development, what demand for service would be at total build out, and factors that into the cost of each project. Because of these and other requirements the adoption of this new report was necessary. Most importantly, however, was that the Master Facilities Plan was reviewed, amended and adopted on February 17, 2009, by the District Board of Directors to reflect a new direction of the Fire District. The impact fees identified in the 2008 report should serve the District for many years with periodic economic indicator adjustments.

Government Code Section 66002 requires that an annual report be prepared that reviews the District's Master Facilities Plan and the estimated costs for constructing the public facilities that are contained therein. The estimated costs for constructing these facilities are adjusted each year by the Engineering News Record Construction Cost Index which was 3.8% for this reported year. In accordance with Carpinteria Municipal Code 8.26.040 and Santa Barbara County Code 15-67 the fees are automatically adjusted as well. The specific reporting requirements are contained below:

A brief description of the type of fee in the account or fund.

Development Impact Fees or Mitigation Fees are intended to assist local fire agencies in delivering the increasing service demand cause by additional development. In the 2010-11 Fiscal Year the fund revenue was underestimated by \$21,000. The lowering revenue pattern demonstrated over the past 3 years is related to slowing of new construction within the Fire District. The expenditures during this period were dedicated to on-going lease purchase payment of a Type III wild land Fire Engine and Professional Services for conceptual design of FD Project # FD-01.

The amount of the fee.

See Exhibit A

The beginning and ending balance of the account or fund. The amount of the fees collected and the interest earned.

See Exhibit B

An identification of each public improvement on which fees were expended and the amount of the expenditures on each improvement, including the total percentage of the cost of the public improvement that was funded with fees.

See Exhibit C

An identification of an approximate date by which the construction of the public improvement will commence if the local agency determines that sufficient funds have been collected to complete financing on an incomplete public improvement, as identified in paragraph (2) of subdivision (a) of Section 66001, and the public improvement remains incomplete.

As outlined in the Nexus Calculation Report, the Fire District approved Master Facility Plan presents a 20 year vision. Since the plan is dependent on development fees it is extremely difficult to forecast completion dates for the listed projects. Suffice to say, however, it is anticipated by the Fire District to complete all of the projects within the 20 year span of the plan.

See Exhibit C

A description of each interfund transfer or loan made from the account or fund, including the public improvement on which the transferred or loaned fee will be expended, and, in the case of an interfund loan, the date on which the loan will be repaid, and the rate of interest that the account or fund will receive on the loan.

No interfund transfers have been made during this reporting period

The amount of refunds made pursuant to subdivision (e) of Section 66001 and any allocation pursuant to subdivision (f) of Section 66001. No refunds or allocations have been made.

EXHIBIT A

2009-10 Adopted Fire Protection Development Impact Fee Schedule	
Type of Development	Fee
Estate Single Family Residential	\$1,467.00 First 2,700 Sq. Ft. (1)
Single Family Residential	\$1,467.00 First 2,700 Sq. Ft. (1)
Multiple Family Residential	\$1,237.00 per Unit
Mobile Homes	\$1,631.00 per Unit
Commercial Lodging	\$886.00 per Unit
Commercial/Office Uses	\$2.12 per Sq. Ft.
Industrial Uses	\$0.18 per Sq. Ft.
Notes: (1) Plus \$0.362/Square Foot beyond 2,700 Square Feet Source: Carpinteria-Summerland Fire Protection District – Development Impact Fees Nexus Calculation Report and Revised Master Facilities Plan, February 17, 2008	

*2010-11 Adopted Fire Protection Development Impact Fee Schedule	
Type of Development	Adjusted Fee
Estate Single Family Residential	\$1,523.00 First 2,700 Sq. Ft. (1)
Single Family Residential	\$1,523.00 First 2,700 Sq. Ft. (1)
Multiple Family Residential	\$1,284.00 per Unit
Mobile Homes	\$1,693.00 per Unit
Commercial Lodging	\$910.00 per Unit
Commercial/Office Uses	\$2.20 per Sq. Ft.
Industrial Uses	\$0.19 per Sq. Ft.
Notes: (1) Plus \$0.362/Square Foot beyond 2,700 Square Feet	
*Engineering News Record Construction Cost Index 2010 3.8%	

*2011-12 Proposed Fire Protection Development Impact Fee Schedule	
Type of Development	Adjusted Fee
Estate Single Family Residential	\$1,564.00 First 2,700 Sq. Ft. (1)
Single Family Residential	\$1,564.00 First 2,700 Sq. Ft. (1)
Multiple Family Residential	\$1,318.00 per Unit
Mobile Homes	\$1,739.00 per Unit
Commercial Lodging	\$935.00 per Unit
Commercial/Office Uses	\$2.26 per Sq. Ft.
Industrial Uses	\$0.20 per Sq. Ft.
*Engineering News Record Construction Cost Index 2011 2.7%	

EXHIBIT B

Carpinteria Summerland FPD Fund 3633

Fire Protection District Development Impact Fees - Ledger FY 2010/2011*

	Ledger @				Ledger @
	July 1, 2010	Credits	Interest	Debits	June 30, 2011
Fund 3633 Fire Protection Capital Improvements	196,066.04	27,920,69	1,418.09	108,786.40	106.117.92

* Totals of Exhibit "A" are unaudited

EXHIBIT C

Carpinteria-Summerland Fire Protection District Master Suppression Facilities Plan Fire Suppression Facilities, Vehicles and Equipment		2003-10	2010-11 + 2.7%	% from Fee	% from other resources	Total Dollar Cost from Fee	Project Build- Out Total
FD-01	Relocate Northerly Station #2	\$11,777	76,751	25	3,366,847	\$1,122,283.00	\$4,489,130
FD-02	Expand Southerly Station #1	\$29,218		100		\$1,713,913.00	\$1,713,913
FD-03	Relocate the Administration Office	0		25	2,168,643	\$742,399.00	\$2,969,594
FD-04	Construct an Emergency Operations Center (EOC)	0		25	743,013	\$254,358.00	\$1,017,432
FD-05	Construct Training Tower/Drafting Pit	0		25	1,147,050	\$392,673.00	\$1,570,693
FD-06	Acquire a Type 1 Engine w/Aerial Attack Capability (Telesquirt)	0		75	168,750	\$539,676.00	\$719,568
FD-07	Acquire a Type III Fire Engine	\$256,283	32,035	100		\$83,950.00	\$335,798
FD-08	Acquire a Multi-Use Incident Support Vehicle	0		25	168,749	\$59,964.00	\$239,856
FD-09	Improve the Wildland Patrol/Brush Insp. Vehicle	0		25	15,000	\$5,330.00	\$21,321

TOTALS

\$13,077,305

ATTACHMENT 2

RESOLUTION NO. 5336

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARPINTERIA UPDATING THE FIRE PROTECTION MITIGATION FEE SCHEDULE FOR DEVELOPMENT AND APPROVING AND ACCEPTING THE CARPINTERIA-SUMMERLAND FIRE PROTECTION DISTRICTS ANNUAL REPORT

WHEREAS, on March 22, 2004, the City Council of the City of Carpinteria, California ("City") adopted Ordinance 599, creating and establishing the authority for imposing and charging a fire protection mitigation fee, as codified in Carpinteria Municipal Code Chapter 8.26, and Resolution No. 4857 which established the level of Fire Protection Mitigation Fees; and

WHEREAS, The District has prepared an analysis of the need for new facilities and improvements required, in the form of a revised 2008 Master Facilities Plan, which sets forth the relationship between new development, the needed facilities, and their cost estimates; and

WHEREAS, on May 26, 2009, the City Council of the City of Carpinteria, California adopted a report by Revenue and Cost Specialists, LLC, dated October 27, 2008, entitled "Development Impact Fee Calculation and Nexus Report for the Carpinteria-Summerland Fire Protection District" (Report) which analyzes the impacts of future development on the Carpinteria-Summerland Fire Protection District (District) fire protection facilities and improvements; and

WHEREAS, by Resolution No. 5286, adopted November 8, 2010, the City Council last approved the Districts Annual Report and adjusted Fire Protection Mitigation Fee Schedule for Development; and

WHEREAS, Carpinteria Municipal Code Section 8.26.050 allows the Fire Protection Mitigation Fee to be set and revised periodically by resolution of the City Council, with Ordinance 599 being considered as enabling and directive in this regard; and

WHEREAS, the District has prepared an Annual Report including DIF Fund Description, DIF Fee Schedule, Master Facilities Plan, and Current Fee, which are available for public review as required by law;

NOW THEREFORE, it is hereby resolved by the City Council of the City of Carpinteria, California as follows:

1. The City Council finds that new development in the City will generate additional demands on fire protection facilities serving the City and will contribute to the impact upon such facilities.
2. The City Council finds the cost estimates set forth in the District's Master Facilities Plan are reasonable cost estimates for the public facilities contained in said Plan and determines that there is a continued need for these improvements, that there is a reasonable relationship between such need and the impacts of development for which the fees are charged, and that the improvements are consistent with objectives and policies described in the City's General/Local Coastal Land Use Plan and Environmental Impact Report, Fire Hazard, Objective S-5.

3. The City Council finds that the fees expected to be generated by new development will not exceed the costs for construction of fire protection facilities and improvements set forth in the Master Facilities Plan.
4. The City Council finds that there is a reasonable relationship between the fees use and the type of development for which the fees are charged:
 - a. The City Council finds that there is a reasonable relationship between the need for the public facilities for which fees are collected and the type of development project on which the fee is imposed, as more particularly described in EXHIBIT's A, B, C and D.
 - b. The City Council finds that there is a reasonable relationship between the amount of the fees and the cost of the public facilities attributable to the development on which the fee is imposed, as more particularly described EXHIBIT's A, B, C, and D.
5. The City Council approves the District's adopted Master Facilities Plan as shown in EXHIBIT C.
6. The City Council approves the District's Development Impact Fee adjustment schedule as shown in Exhibit B.
7. As to funds on deposit in the Fire Mitigation Fees Fund, the City council finds as follows:
 - a. The purpose of the Fire Mitigation Fees is to finance necessary District infrastructure as detailed further in Exhibit C.
 - b. A reasonable relationship between the Mitigation Fee and its purpose exists, in that the District nexus calculation report demonstrates that the fee assessed to new development is in proportion to such development's impacts on necessary District infrastructure.
 - c. The sources and amounts of funding for the Master Facilities identified in the District's Master Facilities Plan are identified as shown in Exhibit C.
 - d. The approximate dates on which the funding to construct the facilities identified in the District's Master Facilities Plan is expected to be deposited into the Mitigation Fees Fund are shown in Exhibit C.

PASSED, APPROVED AND ADOPTED this 12th day of September 2011, by the following called vote:

AYES: COUNCILMEMBERS:
 NOES: COUNCILMEMBERS:
 ABSENT: COUNCILMEMBERS:

MAYOR, CITY OF CARPINTERIA

ATTEST:

CITY CLERK, CITY OF CARPINTERIA

I hereby certify that the foregoing resolution was duly and regularly introduced and adopted at a regular meeting of the City Council of the City of Carpinteria held the 12th day of September 2011.

CITY CLERK

APPROVED AS TO FORM:

PETER N. BROWN
CITY ATTORNEY

EXHIBIT A

FUND DESCRIPTION

Master Facilities Plan : Fees collected for the actual and estimated costs to acquire certain fire protection capital improvements, including structures, fire apparatus and fire equipment.

EXHIBIT B

FEE SCHEDULE

2011-2012 Fire Protection Development Impact Fee Schedule	
Type of Development	Fees
Estate Single Family Residential	\$1,564.00 First 2,700 Sq. Ft. (1)
Single Family Residential	\$1,564.00 First 2,700 Sq. Ft. (1)
Multiple Family Residential	\$1,318.00 per Unit
Mobile Homes	\$1,739.00 per Unit
Commercial Lodging	\$935.00 per Unit
Commercial/Office Uses	\$2.26 per Sq. Ft.
Industrial Uses	\$0.20 per Sq. Ft.
Notes: (1) Plus \$0.362/Square Foot beyond 2,700 Square Feet	
Source: Carpinteria-Summerland Fire Protection District Staff Report – Development Impact Fees Nexus Calculation Report and Revised Master Facilities Plan, August 16, 2011	

EXHIBIT C

FACILITIES MASTER PLAN

Carpinteria-Summerland Fire Protection District Master Suppression Facilities Plan Fire Suppression Facilities, Vehicles and		2003-10	2010-11 + 2.7%	% from Fee	Priority Level	% from other resources	Total Dollar Cost from Fee	Project Build- Out Total
FD-01	Relocate Northerly Station #2	\$11,777	76,751	25	High	3,366,847	\$1,122,283.00	\$4,489,130
FD-02	Expand Southerly Station #1	\$29,218		100	High		\$1,713,913.00	\$1,713,913
FD-03	Relocate the Administration Office	0		25	Low	2,168,643	\$742,399.00	\$2,969,594
FD-04	Construct an Emergency Operations Center (EOC)	0		25	Med	743,013	\$254,358.00	\$1,017,432
FD-05	Construct Training Tower/Drafting Pit	0		25	Med	1,147,050	\$392,673.00	\$1,570,693
FD-06	Acquire a Type 1 Engine w/Aerial Attack Capability (Telesquirt)	0		75	Med	168,750	\$539,676.00	\$719,568
FD-07	Acquire a Type III Fire Engine	\$256,283	32,035	100	High		\$83,950.00	\$335,798
FD-08	Acquire a Multi-Use Incident Support Vehicle	0		25	Med	168,749	\$59,964.00	\$239,856
FD-09	Improve the Wildland Patrol/Brush Insp. Vehicle	0		25	Med	15,000	\$5,330.00	\$21,321
TOTALS								\$13,077,305

EXHIBIT D

FEE ACCOUNTING

Carpinteria Summerland FPD Fund 3633

Fire Protection District Development Impact Fees - Ledger FY 2010/2011*

	Ledger @				Ledger @
	July 1, 2010	Credits	Interest	Debits	June 30, 2011
Fund 3633 Fire Protection Capital Improvements	196,066.04	27,920.69	1,418.09	108,786.40	106,117.92

* Totals of Exhibit "A" are unaudited